DOCUMENT RESUME

ED 308 290 CE 052 644

AUTHOR Romero, Carol Jusenius
TITLE Services to Hispanics in JTPA: Implications for the System.
INSTITUTION National Commission for Employment Policy (DOL), Washington, D.C.
PUB DATE Apr 89
NOTE 57p.
PUB TYPE Reports - Research/Technical (143)

EDRS PRICE MF01/PC03 Plus Postage.
DESCRIPTORS Adult Education; Career Education; Economically Disadvantaged; *Eligibility; Enrollment; *Enrollment Influences; *Ethnic Discrimination; Federal Legislation; *Federal Programs; *Hispanic Americans; *Job Training
IDENTIFIERS *Job Training Partnership Act 1982

ABSTRACT

This report examines why there are fewer Hispanics in training programs funded under Title IIA of the Job Training Partnership Act (JTPA) than would be expected based on their share of the population that meets the eligibility criteria. Section II explains how the law's criteria for determining eligibility for JTPA unintentionally make many economically disadvantaged Hispanics ineligible for Title IIA programs. The remaining sections further explore why Hispanics eligible for Title IIA training are underrepresented and section III describes briefly which groups of Hispanics are underrepresented. Section IV discusses data problems, which account, however, for only a small part of the finding of Hispanics' underrepresentation. Section V examines three reasons for the underrepresentation: the formula for allocating Title IIA funds to service delivery areas (SDAs), local policies and practices, and the method the Department of Labor permits SDAs to use for adjusting national performance standards to meet their individual circumstances. Conclusions are given in Section VI. Appendixes include charts illustrating the percent of population eligible for JTPA and percent of participants by selected characteristics and race/ethnicity; data on JTPA participation and eligibility; JTPA annual status report form; and JTPA performance standards worksheets for entered employment rate and cost per entered employment. (YLB)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

DRAFT

ED308290

SERVICES TO HISPANICS IN JTPA: IMPLICATIONS FOR THE SYSTEM
(Working Title)

by

Carol Jusenius Romero*
National Commission for Employment Policy

April 1989

*The author is solely responsible for the contents of, and opinions in, this paper.

CE052644

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☐ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

A Rice

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

BEST COPY AVAILABLE

DRAFT

TABLE OF CONTENTS

Chapter		Page
I	INTRODUCTION	1
II	ENROLLING ECONOMICALLY DISADVANTAGED HISPANICS	3
III	IDENTIFYING UNDER-REPRESENTED GROUPS OF JTPA PARTICIPANTS	10
IV	DATA PROBLEMS AND HISPANICS' UNDER-REPRESENTATION	12
V	SERVING HISPANICS ELIGIBLE FOR JTPA	15
VI	CONCLUSIONS	30

APPENDIX A: PERCENT OF POPULATION ELIGIBLE FOR JTPA AND PERCENT OF PARTICIPANTS BY SELECTED CHARACTERISTICS AND RACE/ETHNICITY, PY84-85

APPENDIX B: THE DATA ON JTPA PARTICIPATION AND ELIGIBILITY

APPENDIX C: JTPA ANNUAL STATUS REPORT FORM

APPENDIX D: PY88 JTPA PERFORMANCE STANDARDS WORKSHEETS FOR ENTERED EMPLOYMENT RATE (ADULT) AND COST PER ENTERED EMPLOYMENT (ADULT)

DRAFT

SERVICES TO HISPANICS IN JTPA: IMPLICATIONS FOR THE SYSTEM
(Working Title)

> It is the purpose of this Act to establish programs to prepare youth and unskilled adults for entry into the labor force and to afford job training to those economically disadvantaged individuals and other individuals facing serious barriers to employment, who are in special need of such training to obtain productive employment.
>
> ....Statement of Purpose
> The Job Training Partnership Act

I. INTRODUCTION

Hispanics' employment and training needs have been a topic of longstanding concern to the National Commission for Employment Policy.(1) As a group, Hispanics epitomize those "facing serious barriers to employment, who are in special need of .... training." They are generally on the lowest rung of the nation's economic ladder. Hispanic men earn less than black or white men, and Hispanic women earn less than any other group of workers. Hispanics' low level of formal education and lack of proficiency in English are two of the major impediments to their success in the job market. It will be primarily through education and training programs that they improve their position.(2)

This report examines why there are fewer Hispanics in training programs funded under Title IIA of the Job Training Partnership Act (JTPA) than would be expected on the basis of their share of the population that meets the eligibility criteria.(3) In addition, the report points out that the eligibility criteria themselves inadvertently preclude many low-income Hispanics from enrolling in JTPA.

---

1. For example, see National Commission for Employment Policy, Hispanics and Jobs: Barriers to Progress, Special Report No. 14, Washington, D.C., September 1982.

2. The third major impediment is discrimination. See National Commission for Employment Policy, Hispanics and Jobs.

3. See Steven Sandell and Kalman Rupp, "Who is Served in JTPA Programs: Patterns of Participation and Intergroup Equity, RR 88-03, National Commission for Employment Policy, Washington, D.C. February 1988; and Office of Strategic Planning and Policy Development, U.S. Department of Labor, "Summary of JTQS Data for JTPA Title IIA and III Enrollments and Terminations During PY1987 (July 1987-June 1988)," December 1988.

DRAFT

It is to the Nation's advantage to assure that Hispanics' needs are addressed by employment and training programs established to assist the disadvantaged. The Hispanic population in the United States is large and growing rapidly. In 1988 they were 7.4 percent of the total population (over 18 million people). They are projected to be 9.4 percent of the population by the year 2000 and 11 percent by the year 2010. Moreover, almost 30 percent are below the poverty line compared to 31 percent of blacks and 11 percent of whites.(4) To meet the labor market needs projected for the year 2000 and beyond, it is essential that the talents of all Americans are employed to their fullest extent.

This report's findings on Hispanics in JTPA are largely the product of input from people experienced with JTPA operations, including many who are experienced with Hispanics in JTPA. About 75 people across the country were contacted over the course of this study, including program operators, heads of national Hispanic organizations, Directors and staff of Private Industry Councils (PICs) and Service Delivery Areas (SDAs), and staff in state agencies responsible for JTPA. Other findings are based on examinations of national data, examinations which were prompted by people's comments on how JTPA operates in their areas.

The results presented here have implications that extend beyond Hispanics' participation in JTPA. To the extent that Hispanics and other demographic groups, such as blacks and Asian-Americans, have similar characteristics, these characteristics could be more fully taken into account in the provisions of Title IIA and in its implementation.

Outline of Report

This report explains JTPA Title IIA programs in a "practical way." It describes how the system operates from the perspective of those who run it at the state and local levels.(5)

Section II explains how the law's criteria for determining eligibility for JTPA unintentionally make many economically

---

4. Middle Series Projections in U.S. Bureau of the Census, Gregory Spencer, Current Population Reports, Series P-25, No. 995, Projections of the Hispanic Population: 1983 to 2080, U.S. Government Printing Office, Washington, D.C. 1986; and in U.S. Bureau of the Census, Current Population Reports, Series P-25, No. 952, Projections of the Population of the United States, by Age, Sex, and Race: 1983 to 2080, U.S. Government Printing Office, Washington, D.C., 1984; and U.S. Bureau of the Census, Current Population Reports, Series P-60, No. 158, Poverty in the United States: 1985, U.S. Government Printing Office, Washington, D.C., 1987.

5. Although there are many Hispanics in JTPA's migrant and seasonal farmworker programs, these programs are outside the scope of this paper.

DRAFT

disadvantaged Hispanics ineligible for Title IIA programs. This issue, not the primary focus of the report, surfaced in discussions with people in the field.

The remaining sections explore why Hispanics eligible for Title IIA training are under-represented in the programs. Section III briefly describes which groups of Hispanics are under-represented. Section IV discusses how data problems account for only a small part of the finding of Hispanics' under-representation.

Section V examines three reasons for Hispanics' under-representation: the formula for allocating Title IIA funds to SDAs, local policies and practices, and the method DOL permits SDAs to use for adjusting national performance standards to meet their individual circumstances. The conclusions are given in Section VI.

II. ENROLLING ECONOMICALLY DISADVANTAGED HISPANICS

The goal of JTPA is to establish training programs that prepare people for employment or "better" employment. The primary target group is the unskilled, economically disadvantaged population -- people who need and want training but are are not financially able to undertake it on their own (JTPA Title IIA programs).(6)

People's actual eligibility for JTPA is determined during interviews with staff in "intake offices." To be eligible for JTPA, people must demonstrate that they meet one of several criteria. Three are key to understanding Hispanics' experiences:

- receipt of Food Stamps;
- receipt of public assistance, such as Aid to Families with Dependent Children (AFDC); or
- an income in the six months prior to participation that either is at or below 70 percent of the Lower Living Standard, or is at or below the poverty level, whichever is higher. Additional criteria for establishing eligibility on the basis of income include both family size and adjustments for differences in the cost of living in different areas.

As background to describing how these eligibility criteria affect Hispanics, it is critical to note that the income cut-off for Food Stamps is higher than that for JTPA Title IIA. People who use Food Stamps qualify for JTPA even though they earn more than the JTPA income-eligibility criterion permits. In rough terms, families may earn up to 130 percent of the poverty line to qualify for food stamps; to qualify for JTPA on the basis of income, persons may earn at most 100 percent of the poverty level (or 70 percent of the lower living standard).

---

6. Title III authorizes training for dislocated workers.

DRAFT

For example, to qualify for Food Stamps a four-person family could have a gross monthly income of $1,263 and a net monthly income (adjusted for certain allowable deductions) of $971. On a six-month basis, this amounts to a gross income of $7,578 and a net income of $5,826.(7) The gross income, which would be the relevant figure for a JTPA income-eligiblity test, is higher than that allowed to qualify for JTPA in those parts of the country which have relatively low cost-of-living levels.

For several reasons, economically disadvantaged Hispanics are more likely than whites or blacks to have difficulties establishing their eligibility for JTPA.

Hispanics' Use of Public Programs

Many Hispanics, especially within the Mexican-American community, do not meet JTPA's specific eligibility criteria even though they could qualify. The reason, according to program operators, is that they prefer not to receive Food Stamps even though their use would qualify them for JTPA. Two not mutually exclusive reasons were given to explain this behavior.

Some program operators said that Mexican-Americans lack knowledge about, and experience with, the food stamp program. But most said that the Hispanic culture stresses individual and collective self-sufficiency: Hispanics tend not to rely on others outside their community. For example, people said "It goes against the grain to rely on people and institutions outside the community." (This preference for self-reliance extends to Hispanics' interest in applying to JTPA and other government programs such as public housing.)

When asked to elaborate on this cultural trait of self-reliance, some people explained that Hispanic men in particular view themselves as totally responsible for taking care of themselves and their families. Use of public programs is difficult for them because it is an admission that they cannot meet a fundamental responsibility.

But most people explained that Hispanics in general tend to have a sense of responsibility for helping other Hispanics. Part of this feeling of responsibility is related to the cultural importance of la familia. As people used the term, it represents

---

7. "Food Stamps for Households in the 48 Contiguous States and the District of Columbia," Fact Sheet, U.S. Department of Agriculture, October 1988. The calculation in the text assumes that the family also meets the other qualifying criteria for Food Stamps, such as no more than $2,000 of countable assets.

DRAFT

more than "family" in the English sense of the word. It connotes a strong sense of bonding -- Hispanics' reliance on Hispanics -- which is deeply rooted in the culture.

National data are consistent with the observations just described. Economically disadvantaged Hispanic families are more likely than whites or blacks to rely solely on their own earnings for income. Also, Hispanic families are less likely to use Food Stamps than black families although they are more likely to use them than white families.(8)

Table 1 presents data on the sources of income of economically disadvantaged Hispanic, white, and black families. It indicates that almost 30 percent of economically disadvantaged Hispanic families rely solely on their own earnings for income, compared to 21 percent among white families and 19 percent among black families.

Among Hispanics, an even higher percentage of Mexican-American families rely solely on their own earnings (almost 40 percent); and a relatively small proportion receive public assistance -- 18 percent compared with 20 percent among white families and 38 percent among black families. The high percentage (61 percent) of Puerto Rican families who receive public assistance makes two points. First, there is a wide difference in the proportions of individuals in Puerto Rican and Mexican-American families who are likely to qualify for JTPA. Second, the figure suggests the extent to which the Puerto Ricans' difficult economic situation has led Puerto Rican men to behave in ways that are inconsistent with their cultural values.

Table 2 shows the extent to which households that are likely to be eligible for Food Stamps use the program. In 1985, for example, 43 percent of Hispanic households, 51 percent of black households, and 29 percent of white households were receiving Food Stamps and for this reason, were eligible for JTPA.

---

8. Data on Food Stamp use within Hispanic subgroups were not available. It is likely that Puerto Ricans account for a large proportion of all Hispanics who use Food Stamps given the high proportion of Puerto Rican families who are female-headed households and receiving public assistance.

DRAFT

TABLE 1. ECONOMICALLY DISADVANTAGED FAMILIES BY THEIR SOURCES OF INCOME AND RACE/ETHNICITY, 1985

Sources of Income	Race/Ethnicity					
	White	Black	Total Hispanic	Mexican-American	Puerto Rican	Other
Number of Families (in 1000s)	4,983	1,983	1,074	608	241	225
Total Percent	100.0	100.0	100.0	100.0	100.0	100.0
Percent with --						
Earnings Only	21.3	18.7	28.6	38.7	(a)	23.6
Earnings and Other Income(b)	43.2	35.9	31.3	36.4	18.7	31.1
Only Income Other than Earnings	32.9	43.7	37.2	22.5	71.4	40.0
Percent Receiving Public Assistance(c)	20.2	37.8	29.9	17.9	61.0	28.9

(a) Number too small to be statistically reliable.

(b) Other Income includes: Social Security, Supplemental Security Income, and Public Assistance.

(c) The families may also have other sources of income.

Source: U.S. Bureau of the Census, Current Population Reports, Series P-60, No. 158, Poverty in the United States: 1985, U.S. Government Printing Office, Washington, D.C., 1987.

DRAFT

TABLE 2. PERCENT OF HOUSEHOLDS AT DIFFERENT INCOME LEVELS WHO RECEIVE FOOD STAMPS BY RACE/ETHNICITY, 1985

Income Level of Households	Race/Ethnicity White	Black	Hispanic
Number at or Below 125% of the Poverty Level (in 1000s)	12,387	3,678	1,781
Percent Receiving Food Stamps	29.4	50.5	42.7
Of Which --			
Number Between 125% of Poverty Level and the Poverty Level (in 1000s)	3,680	743	416
Percent Receiving Food Stamps	14.3	22.7	19.0
Number at or Below the Poverty Level (in 1000s)	8,707	2,935	1,365
Percent Receiving Food Stamps	35.7	57.5	50.0

(a) Households include families and unrelated individuals.

Source: U.S. Bureau of the Census, Current Population Reports, Series p-60, No. 155, Receipt of Selected Noncash Benefits: 1985, U.S. Government Printing Office, Washington, D.C., 1987 and unpublished government data.

The examination of Hispanics' use of public programs revealed an unintended consequence of JTPA's eligibility criteria. The law intended to make training programs available to people using certain public programs so that they could become self-sufficient and no longer need them. However,

- one result of these criteria is to encourage people who want and need training to apply for food stamps or public assistance in order to qualify for JTPA;
- another result of these criteria is to discourage people -- who want and need training, but do not want to use other public programs -- from enrolling in JTPA.

Income Eligibility

Hispanics have difficulties meeting JTPA's income eligibility requirement for two reasons. One concerns the documentation that is required to establish how many people a potential enrollee is supporting. For Hispanics, obtaining the needed documents is often difficult and time-consuming because they tend to support family members who live in other parts of the country, including Puerto Rico.(9)

A more widely reported reason is that Hispanics prefer to work at virtually any wage rather than be without work, according to reports from many PIC/SDA directors and program operators. In some cases this means that they (especially Hispanic men) strongly prefer JTPA's on-the-job-training programs over other types of programs. But more consistent reports were that even if Hispanics only earn the minimum wage, they often earn too much to qualify for JTPA on the basis of income. "They work too much" as one PIC Director said. Other people said, "It is part of their work ethic."

This point was made primarily by people in those parts of the country where opportunities for unskilled workers are relatively plentiful. In areas where the economies have shifted toward the provision of services and information (such as New York City), people indicated that job opportunities are scarce for Hispanics with few skills.

National data are consistent with observations on Hispanics' patterns of work. Hispanic men average lower hourly wages than white and black men. Hispanic women average less per hour than

---

9. While forms submitted to the Internal Revenue Service contain the needed information, economically disadvantaged people typically do not have copies of the forms.

DRAFT

white and black women, as reported earlier.(10) Also, compared to whites and blacks, more unemployed Hispanics are without work for short periods of time and fewer are without work for extended periods. In 1988, for example, half of unemployed Hispanics were unemployed for fewer than 6 weeks, compared to 47 percent of unemployed whites and 42 percent of unemployed blacks. At the other extreme, 9 percent of unemployed Hispanics spent 27 weeks or more looking for work, compared to 11 percent of unemployed whites and 15 percent of unemployed blacks.(11)

The issue for Hispanics is that to be eligible for JTPA on the basis of income, people typically need to be unemployed (or out of the labor force) for at least 4 of the 26 weeks prior to applying to the program. The difficulties this can create for the "working poor" can be shown through two examples.

First, a single person in the Dallas/Ft. Worth area could earn no more than $2,885 in the six months prior to enrolling in JTPA in order to have qualified in 1986. A person who worked at the minimum wage ($3.35 per hour) for 40 hours per week for 22 weeks of the 6 months prior to enrolling in JTPA would have earned $2,984, $100 more than the law permits. A person who worked 21 weeks would have earned $2,814, $70 less than the income-cutoff for JTPA.

Second, a four-person family in Dallas/Ft. Worth could earn no more than $6,040 in order for a family member to qualify for JTPA in 1986 on the basis of income. If the family had two wage-earners both working for 40 hours per week for 26 weeks at $3.35 per hour, they would have earned too much for a family member to qualify for JTPA. Their combined income would have been $6,968.

In short, Hispanics -- whose low wages, as well as strong work ethic and tendency toward self-reliance, make them prime candidates for "working poor" status -- may find themselves ineligible for participation in Title IIA training programs. As one person said, "The very traits that the Hispanic culture values -- self-reliance and hard work -- are the same ones which make it difficult to enroll Hispanics in JTPA." Moreover, proposed increases in the minimum wage may make it even more difficult to enroll Hispanics in JTPA unless JTPA income eligibility requirements are also altered.

---

10. National Commission for Employment Policy, Hispanics and Jobs. See also, Marta Escutia and Margarita Prieto, Hispanics in the Work Force, Part I, (February 1987) and Hispanics in the Work Force, Part II: Hispanic Women, National Council of La Raza, Washington, D.C., July 1988.

11. U.S. Bureau of Labor Statistics, Employment and Earnings, Vol. 36, No. 1, January 1989.

DRAFT

III. IDENTIFYING UNDER-REPRESENTED GROUPS OF JTPA PARTICIPANTS

National estimates indicate that there are 31.7 million people, 16-64 years of age, who are eligible for training under Title IIA of JTPA. Of these, 13.6 percent are Hispanic, 59.9 percent are white and 22.8 percent are black.(12)

For the past several years Hispanics have been under-represented in JTPA compared to their share of the eligible population, as noted earlier. For example, while Hispanics are over 13 percent of the eligible population (according to Sandell and Rupp), they were 10 percent of the program's participants in PY84, PY85 and PY86. In PY87, they were 11 percent of participants. Research also documented that unemployed Hispanic males were especially under-represented.(13)

This section takes previous research one step further. It presents more detailed data on the labor force status of different groups eligible for, and participating in, JTPA. It also presents information on additional socio-economic characteristics: (a) youth, (b) youth dropouts, (c) people in families with very low income levels, and (d) people in families receiving AFDC. These characteristics were selected because, in addition to people's labor force status, they appear to be the ones most strongly associated with Hispanic under-representation. (The full set of data on which this section is based is given in Appendix A.)

Tables 3 and 4 indicate that within racial/ethnic groups, people with different characteristics participate in JTPA in shares that are consistent with provisions of the law. For example, the law emphasizes the provision of training to dropouts. Consistent with this emphasis, Table 3 shows that higher percentages of Hispanic, white, and black youth dropouts participate in JTPA than would be expected on the basis of their shares of the racial/ethnic group's eligible population (15.3 versus 6 percent in the case of Hispanics).

Also, provisions of the law make the program relatively more attractive to unemployed people than those who are working, as discussed earlier.(14) As a consequence, Table 4 shows that higher

---

12. Sandell and Rupp.

13. Sandell and Rupp; Office of Strategic Planning and Policy Development, December 1988.

14. Sandell/Rupp also hypothesized that JTPA would be of greater interest to unemployed people than to persons who are out of the labor force. The reason was that, by virtue of being in the labor force, the unemployed demonstrate that they want work. The data in Appendix A confirm that JTPA seems to be most attractive to the unemployed, least attractive to those out of the labor force; employed persons are between the two.

DRAFT

TABLE 3. PERCENT OF SCHOOL DROPOUTS, 16-21 YEARS OF AGE, ELIGIBLE FOR JTPA AND PARTICIPATING IN JTPA WITHIN HISPANIC, WHITE, AND BLACK POPULATIONS, PY84-85

Race/Ethnicity	Percent of Each Group Who are Youth Dropouts and	
	Eligible	Participants
Hispanic	6.0	15.3
White	2.9	10.7
Black	3.3	11.9

Source: Unpublished data from the Current Population Survey and the Job Training Quarterly Survey.

TABLE 4. PERCENT OF UNEMPLOYED MALES ELIGIBLE FOR JTPA AND PARTICIPATING IN JTPA WITHIN HISPANIC, WHITE, AND BLACK MALE POPULATIONS, PY84-85

Race/Ethnicity	Percent of Each Group Who are Unemployed and	
	Eligible	Participants
Hispanic Males	16.2	78.3
White Males	14.2	73.1
Black Males	17.7	68.6

Source: See Table 3.

proportions of unemployed Hispanic, white, and black males are in JTPA than would be expected on the basis of their shares of the groups' eligible populations. (For example, among Hispanic males, the unemployed are 16 percent of the eligible population and 78 percent of the participants.)

However, comparing how the three racial/ethnic groups fare reveals patterns of over- and under-representation that are not readily explained by reference to the law's provisions. These patterns are shown through comparisons of the groups' JTPA-participation rates, the ratio of participants to eligibles within each group. Table 5 gives the participation rates of Hispanics, blacks, and whites for the characteristics which were associated with the greatest differences in participation rates.

Unemployment status is not the only characteristic associated with Hispanic under-representation. Under-representation appears to be even more pronounced among young school dropouts and among Hispanics in families with incomes below 70 percent of the poverty line. For Hispanic women, under-representation is strongly associated with receiving, or being in families which receive, AFDC. For example, 4.3 percent of eligible 16 to 21 year old Hispanic dropouts are in JTPA compared to 7.7 percent of their white counterparts and over 11 percent of their black counterparts. Also, while fewer than 2 percent of Hispanic women in families on AFDC are in JTPA, almost 3 percent of their white counterparts (and over 3 percent of their black counterparts) are in JTPA. The remaining sections examine the reasons for Hispanics' under-representation.

IV. DATA PROBLEMS AND HISPANICS' UNDER-REPRESENTATION

There are several possible reasons for Hispanics' under-representation in JTPA. The two discussed in this section are related to the data used to estimate eligibility for, and participation in, the program.

Due to data problems, it is possible for research to show that Hispanics are under-represented in JTPA when in reality they are proportionately served. Data problems may exist in the sources used to obtain the number of JTPA participants and the number of people eligible for the program. Investigation of the possibility of data problems indicates that this is unlikely to be a major reason for the finding that Hispanics are under-represented, although it may explain a small part of the finding.

Job Training Quarterly Survey (JTQS)

Data on JTPA participants come from the Job Training Quarterly Survey (JTQS), which in PY 84 and 85 (the years for which Hispanics' under-representation was first determined) consisted of

DRAFT

TABLE 5. RATES OF PARTICIPATION AMONG PERSONS ELIGIBLE FOR JTPA BY SELECTED CHARACTERISTICS AND RACE/ETHNICITY, PY84-85

Characteristic and Race/Ethnicity	Participation Rate(a)
16 to 18 Years of Age	
Hispanic	2.7%
White	5.7
Black	6.0
School Dropouts, 16 to 21 Years of Age	
Hispanic	4.3
White	7.7
Black	11.4
Employed and Unemployed Males	
Employed Hispanics	0.2
Employed Whites	0.5
Employed Blacks	0.6
Unemployed Hispanics	7.9
Unemployed Whites	10.8
Unemployed Blacks	12.6
Family Income is 70 Percent of Poverty Line(b)	
Hispanic	0.9
White	1.4
Black	1.6
Sex and In Family Receiving AFDC(c)	
Hispanic Males	1.1
White Males	2.1
Black Men	2.2
Hispanic Females	1.9
White Females	2.8
Black Females	3.3

(a) The ratio of the number of participants to the number of eligibles within each racial/ethnic group; in cases where sex is a characteristic of interest, the participation rate is calculated within sex and racial/ethnic groups.

(b) Data on family income as a percent of the Lower Living Standard were not available.

(c) AFDC is the government program, Aid to Families with Dependent Children.

DRAFT

a sample of 194 SDAs. The sample was designed to produce a nationally representative estimate of program participants.(15)

At issue in the JTQS is whether a sample designed to be nationally representative of participants is representative of Hispanic participants. Hispanics have a very different geographic distribution from the U.S. population as a whole. Compared to the national population, they are concentrated in a few states (about 85 percent are in 9 states, compared to 40 percent of the total population).(16)

Investigation of the method used to select the sample of 194 SDAs indicates Hispanics were likely to have been appropriately included in the JTQS. Large urban SDAs in which Hispanics are concentrated were in the sample (New York, Miami, Los Angeles, and Houston among others). Also, the number of unemployed Hispanics was one of the criteria used for selecting which of the smaller SDAs would be in the sample. (See Appendix B for greater detail.)

Current Population Survey

The Current Population Survey (CPS) is used to estimate the number of people eligible for JTPA. The potential problem for purposes here is that the CPS does not contain information on people's status as citizen, legal resident, refugee or undocumented worker. However, people's residency status is an eligibility criterion for JTPA. Thus using the CPS to estimate the number of people eligible for JTPA may produce an overestimate.

Hispanics may be a significant portion of this overestimate since it has been suggested that up to 72 percent of undocumented workers in the U.S. are from Latin American countries.(17) Moreover, undocumented workers have several of the same characteristics as those groups of Hispanics which are under-represented in JTPA: they tend to be young, male, and have fewer than 12 years of schooling.(18)

---

15. The JTQS understates enrollments by 10 percent according to comparisons with administrative data (JASR).

16. The states are California, Texas, New York, Florida, Illinois, Arizona, New Jersey, New Mexico, and Colorado. U.S. Bureau of the Census, Persons of Spanish Origin by State: 1980, Supplementary Report PC80-S1-7, August 1982.

17. Karen Woodrow and Jeffrey Passel, "Preliminary Estimates of Undocumented Immigration to the United States: 1980-1986: Analysis of the June 1986 Current Population Survey," Proceedings of the Social Statistics Section at the meetings of the American Statistical Association, San Francisco, August 1987.

18. Douglas Massey and Kathleen Schnabel, "Background and Characteristics of Undocumented Hispanic Migrants to the United States: A Review of Recent Research," Migration Today, Vol. XI, No. 1 (1983), pp. 8-13.

DRAFT

The author's investigation suggests that the CPS may show some Hispanics to be eligible for JTPA on the basis of their income when they in fact are not eligible due to their residency status. A rough estimate is 200,000 to 290,000. After subtracting them from the pool of people who meet income criteria for eligibility, Hispanics still account for 13 percent of all eligibles. While this figure is somewhat below the proportion eligible as shown in Sandell and Rupp (13.6 percent), it is the same proportion of Hispanics that the Department of Labor indicates are eligible for JTPA.(19) (See Appendix B for greater detail.)

Because Hispanics' under-representation cannot be fully explained by data problems, it is necessary to examine how the law's provisions and its implementation are affecting the likelihood that Hispanics are in JTPA.

V. SERVING HISPANICS ELIGIBLE FOR JTPA

In broad terms, SDAs have two goals to meet within the JTPA framework. One relates to their performance standards. (Performance standards are the minimum levels of achievement their state and the Department of Labor expect them to meet or exceed.) To the extent SDAs consider this an important goal, they are likely to emphasize serving those people who will help them achieve it. This emphasis would be especially strong in states with incentive policies that stress exceeding standards.(20)

SDAs' second goal relates to the demographic and socio-economic composition of their program participants. This goal goes beyond assuring the provision of services to groups emphasized in the law; it also includes assuring that services are provided to all groups in need, including racial/ethnic groups within their eligible populations. Some states direct that SDAs include in their service-delivery plans services to various groups in approximate proportions to the groups' shares of the local eligible population. In other states, SDAs are responsible for determining the mix of their program participants. The particular percentages served depend upon the amount of influence each group has over the system locally and its relative size within an SDA's eligible population.

---

19. Office of Strategic Planning and Policy Development, December 1988.

20. For detailed discussions of the interconnections between performance standards and states' incentive policies, see SRI International and Berkeley Planning Associates, Evaluation of the Effects of JTPA Performance Standards on Clients, Services and Costs, National Commission for Employment Policy, Research Report No. 88-16, Washington D.C., September 1988; and Evelyn Ganzglass and Jose Figueroa, "Using JTPA Performance Standards as a State Policy Tool," Center for Policy Research, National Governors' Association, Washington, D.C., April 1988.

DRAFT

Most SDAs serve small percentages of Hispanics, if any, because there are few Hispanics living there. (These SDAs have small to medium sized populations, and are located within Tennessee, Mississippi, and South Dakota, for example.)

Because Hispanics are concentrated in a few states and a few SDAs within those states, the extent of their participation in JTPA nation-wide depends upon the extent of their participation in a relatively small number of SDAs. SDAs in which most Hispanics are located are of two types:

- o those in which Hispanics constitute the vast majority of the eligible minority populations and hence, their program participants. There are few SDAs within this group and they tend to have small to medium-sized populations, for example, SDAs within New Mexico and Arizona.

- o those in which Hispanics constitute a moderate proportion of the eligible minority population, and thus of their program participants. This type, also small in number, includes both medium and large urban SDAs, for example, SDAs in the Chicago, Miami, Dallas, and Los Angeles areas.

These two types of SDAs must simultaneously meet their performance standards and serve an "acceptable" number of Hispanics. The number of Hispanics they serve depends upon (a) the SDAs' overall number of program participants, which, in turn, is partly determined by the amount of funds they receive through the allocation formula, and (b) local policies and practices. The characteristics of the Hispanics they serve is affected in part by the method the Department of Labor (DOL) permits SDAs to use in adjusting their performance standards to meet their local conditions.(21) The remainder of this section discusses these points.

The Allocation Formula

The current allocation formula for distributing Title IIA funds has two tiers. First, the federal government distributes the funds to states on the basis of a formula. Then, each state distributes 78 percent of its funds to SDAs using the same formula. (Twenty two percent remains with the state for administrative and other purposes.)

The formula has three factors, each of which has equal weight. Two are based on the relative number of unemployed people in states

---

21. The characteristics also depend in part on states' incentive policies; for example, policies encouraging services to the hard to serve, as mentioned earlier. Because the interconnections between performance standards and states' incentive policies have been discussed extensively elsewhere, this topic is not addressed here. See SRI and Berkeley Planning Associates; and Ganzglass and Figueroa.

DRAFT

(and SDAs) and one is based on the relative number of states' (and SDAs') economically disadvantaged population.

Under this formula, the group of SDAs in large urban areas (central cities with 200,000 or more people) receive (a) a smaller proportion of funds than would be expected based on their shares of the nation's JTPA eligible population and (b) a smaller proportion of funds than medium-sized urban SDAs. For example, in PY85, SDAs in large urban areas received 29 percent of the Title IIA funds and accounted for 33 percent of the national JTPA-eligible population. In comparison, SDAs in smaller urban areas received 39.5 percent of the funds and accounted for 36.5 percent of the eligible population.(22)

Since economically disadvantaged Hispanics are highly concentrated in large urban areas, the funding formula adversely affects them. (See Table 6.) Indeed, the fact that large SDAs receive fewer funds than would be expected on the basis of their shares of the nation's eligible population is one important reason why Hispanics are under-represented in JTPA.

TABLE 6. PROPORTIONS OF ALL HISPANICS, BLACKS, AND WHITES AND THOSE WHO ARE BELOW THE POVERTY LINE LIVING IN METROPOLITAN AREAS AND IN CENTRAL CITIES, 1985

Group	Total in U.S. (in 1000s)	Percent in Metropolitan Areas	Percent in Central Cities
Hispanics			
All	18,075.	91.2	55.4
Below Poverty	5,236.	89.0	64.3
Whites			
All	200,918.	76.3	27.1
Below Poverty	22,860.	67.4	35.5
Blacks			
All	28,485	83.4	59.4
Below Poverty	8,926	77.5	60.9

Source: See Table 1.

22. Abt Associates, Inc., An Assessment of Funding Allocations Under the Job Training Partnership Act, Abt Associates Inc., Cambridge, Massachusetts, August 1986. See also Arturo Vazquez, Testimony before the Sub-Committee on Employment and Productivity, U.S. Senate, Washington, D.C., June 8, 1988.

An example illustrates how differential levels of funding can lead to under-representation. Suppose there are two groups of SDAs and each has 2,000 people in their eligible populations. In one group of SDAs, Hispanics are 5 percent of the eligible population (100 eligible Hispanics). These SDAs have sufficient funds to train 100 people, 5 percent of whom are Hispanic (5 Hispanic enrollees). In the second group of SDAs, Hispanics are 75 percent of the population (1500 eligible Hispanics). These SDAs have funds to train 40 people, 75 percent of whom are Hispanics (30 Hispanic enrollees).

When combining figures for the two groups of SDAs, 140 people are trained, 35 of whom are Hispanic. Hispanics are 25 percent of the total program's enrollees. However, Hispanics are 40 percent of the total eligible population. (There are 1600 Hispanics in the total eligible population of 4000.)

This illustration of how funding levels for SDAs with large Hispanic populations can affect nation-wide under-representation helps explain a contradiction between SDAs' reports on Hispanic participation and reports based on national data. Many SDAs indicate that, based on their estimates of the size of their eligible populations, they serve Hispanics according to their shares of the eligible populations.(23) As just indicated, depending upon relative funding levels of different SDAs, it is possible to have both appropriate shares of Hispanics within individual SDAs and still have under-representation nationally.

Local Policies and Practices

The amount of Hispanics' political power locally and nationally largely determines the extent to which they can affect JTPA's provision of services to them. Generally, a group's power at the national level affects national policies, practices, and priorities which, in turn, filter down throughout the system. Similarly, a group's power at the state and local levels affects policies and practices at these levels of government.

Representation in policy-making forums is a manifestation of political power. In the case of the local JTPA system, this includes representation on the PICs as well as on PIC and SDA

---

23. See S.M. Miller et al, Too Late to Patch: Reconsidering Second-Chance Opportunities for Hispanic and Other Dropouts, Hispanic Policy Development Project, Washington, D.C. 1988. The reader should note that states, SDAs, and DOL differ in the way they calculate eligible populations. Thus it is possible for Hispanics to be served in proportion to their share of state or local eligible populations, as defined locally, but not as defined by DOL. However, under a uniform definition of the eligible population, differential funding can lead to the outcome discussed here.

DRAFT

staffs. Representatives (and others willing to act as advocates) help assure that issues of importance to the group are aired and problems are resolved satisfactorily. These issues include, for example, the selection of neighborhoods in which intake offices are to be located, the types of staff to be hired, the type and extent of outreach into different communities, the types of programs to be offered, and the types of service providers to be funded.

Differences among SDAs

The extent to which Hispanics participate in JTPA programs differs considerably among SDAs not only because of the relative sizes of the Hispanic populations within SDAs, but also because of the relative amounts of power they have.

SDAs which serve the highest proportions of Hispanics are ones in which Hispanics -- in particular, Mexican-Americans -- are, and for centuries have been, significant proportions of the local populations. Both Hispanics and "Anglos" hold positions of power in the private and public sectors. Indeed, the character of the community is based on a long-standing co-mingling of Hispanic and Anglo cultures and traditions. Knowledge and use of both English and Spanish are part of everyday life for virtually everyone.

In these SDAs it is natural for JTPA programs to be sensitive to the needs of Hispanics. They are on the PICs; they are members of the staffs of the PICs and SDAs; and they are on the staffs of service providers (not only community-based organizations but also local community colleges, for example). Their Anglo colleagues are equally aware of Hispanics' needs. Moreover, since the media have a long history of imparting information in both English and Spanish, it is common for announcements about JTPA programs to be made in both languages.

SDAs with several sizable minority groups in roughly equal proportions are in a very different position: they have different histories and characters. In these areas Hispanics are typically the "new kid on the block" compared to other groups. Whites and blacks have been administering and running employment and training programs since the inception of federally sponsored training programs in the 1960s. Despite the growth of the Hispanic population, these groups typically continue to have the greatest influence in administering and running the training programs.

Local officials, staffs, and program operators illustrated some consequences of Hispanics' lack of influence. One PIC, directed by its state to include representatives from all groups, met this directive by having members who have Hispanic surnames but are neither Hispanic nor knowledgeable about Hispanic issues. One SDA had a centralized intake office in a neighborhood that Hispanics perceived to be inhospitable to them. (The office has since been relocated.) Also, efforts to publicize JTPA programs within Hispanic communities are neither systematic nor extensive. There

DRAFT

were several reports of SDAs which either have or had no Hispanic or bilingual staff in their intake offices. One SDA with a low Hispanic enrollment rate and no Hispanics on the intake staff purposefully hired some so that the staff's composition would better mirror the mix of the local eligible population.

People consistently stressed the critical importance of having Hispanic (and bilingual) intake staff. The reasons are related to both language and culture. Having a bilingual staff assures effective communication with potential enrollees; misunderstandings over terminology and the types of documents needed to verify eligibility are readily overcome.

Hispanics' presence in the office is crucial even when they are not bilingual or are not dealing with Hispanic applicants directly. When Hispanic applicants see Hispanics on the staff, they feel "at home" -- they perceive that the program is intended for them as well as others. The term, la familia and its importance to Hispanics (discussed earlier) was reported in this context.

Selecting Service Providers

SDAs' and PICs' decisions about funding different service providers affect how many Hispanics participate in JTPA. Here the issue is complex, because it involves the extent to which there are service providers that are both effective and experienced in serving Hispanics and Hispanic participants' preference for dealing with other Hispanics.

There are relatively few community-based organizations (CBOs) involved in JTPA whose primary constituents are Hispanic, compared to the number of CBOs whose constituents are either primarily black or white. While most Hispanic CBOs appear to be successful in winning JTPA contracts, some have difficulties. Problems reported include insufficient resources to compete successfully for contracts, lack of the needed record of performance, and insufficient political power.

SDAs and PICs that want to serve one or more particular racial/ethnic group(s) in some specified proportion take great care in selecting service providers known to serve these groups. They fund CBOs which have proven track records in serving these groups. In SDAs where this is not possible, care is taken to assure that the selected training providers have staff with the relevant racial/ethnic characteristics.

In terms of assuring Hispanic participation and retention in JTPA programs, contracting with Hispanic training providers (or ones with Hispanic staffs) is critical given Hispanic enrollees' preferences for dealing with other Hispanics. In addition, because the training providers and the participants share the same group identity, the providers tend to have a better understanding of problems "outside the classroom" that can adversely affect Hispanics' participation "inside the classroom."

DRAFT

According to reports from local JTPA administrators, the issue is that an Hispanic CBO's funding level becomes the number of training slots an SDA allocates for the group. This would not be a problem except for a few factors. First, it absolves others of the need to address Hispanics' concerns and to learn the most effective ways of training them. Second, the number of Hispanics trained becomes dependent upon the extent of a CBO's effectiveness and, as important, political power. Finally, since Hispanic CBOs have a long history of serving non-Hispanics as well as Hispanics, the number of Hispanics they serve is often smaller than the total number of persons the size of their contracts permit to be trained.

In sum, specific local policies and practices can limit Hispanic participation in JTPA. Identifying and finding ways to change them is likely to require work on the parts of SDA and PIC officials and of national and local Hispanic organizations.

Adjustments to National Performance Standards

The purpose of performance standards is to assure that the training people receive in JTPA programs has a positive payoff. "Performance standards are the tools used to insure that the program is a productive investment in human capital."(24) For example, performance standards are set for the "entered employment rate" (the proportion of all people terminating the program, successfully or not, who are placed in unsubsidized jobs); the "cost per entered employment" (the cost of the program per person placed in unsubsidized jobs); and for the "average wage at placement" (the average wages of the jobs in which people are placed).

DOL establishes numerical values for performance standards for the system as a whole. As examples, for PY88 and PY89, the national standard for the entered employment rate is 68 percent, meaning that for the system as a whole, 68 percent of JTPA program terminees are expected to be placed in unsubsidized jobs. The cost per entered employment standard is $4,500.

DOL permits SDAs to use a statistical technique, regression analysis, to adjust the national standards for their local characteristics.(25) The technique is used to disentangle the separate effects that different factors have on the outcome under investigation. In particular, the technique is used to estimate the separate effects that various local characteristics have on individual SDAs' ability to meet the national standards. DOL's goal in permitting adjustments is to establish a "level playing field" for SDAs and for "hard to serve" groups within SDAs.

---

24. Office of Strategic Planning and Policy Development, U.S. Department of Labor, Guide for Setting JTPA Title II-A Performance Standards for PY 88, Washington, D.C., June 1988, p. I-1

25. States may use DOL's technique or develop another which meets their special needs.

DRAFT

Factors in DOL's Adjustment Model

DOL includes two types of factors in the regressions. One type consists of factors that represent local area conditions, such as SDAs' unemployment rates. They are included because DOL wants to adjust the national standards to take into account conditions over which SDAs have no control but which might adversely (or positively) affect their ability to meet the standards.(26) For example, in setting a national value for "entered employment rate," DOL does not wish to penalize SDAs whose higher than average unemployment rates make job placements especially difficult.

The second type of factor consists of those that represent characteristics of program terminees, such as the percent of program terminees who are women. They are based on data that DOL collects from the SDAs. (A copy of the form that will be used to collect PY89 data is in Appendix C.) DOL includes this type of factor because it does not wish to penalize SDAs for decisions to serve higher than average proportions of the various groups considered "hard to serve." The groups in this category were selected based on evidence gained from program experience under the Comprehensive Employment and Training Act (CETA). Due to data limitations, most of the factors used to define "the hard to serve" reflect people's demographic characteristics and their sources of income (such as their race/ethnicity and sex, and their status as AFDC recipient or unemployment insurance claimant). Information on other characteristics, more relevant to describing people as "hard to serve," (such as their proficiency in English and status as school dropout/graduate) has been, and continues to be, limited. In recognition of the need to have more information on "the hard to serve," in PY88 DOL began to collect data on participants' reading skills, shown in Appendix C.

The remainder of this discussion on adjustments for serving Hispanics focuses on those permitted in PY88 for adults. Tables 7 and 8 show the adjustments that SDAs are permitted to make in PY88 for two standards. Table 7 shows both the factors included in the regression for "entered employment rate" and the direction of the relationship between the factors and the standard that the regression estimated. Table 8 presents similar information for the regression for "cost per entered employment."

For example, the negative sign shown in Table 7 for the factor "unemployment rate" indicates that, based on the regression results, SDAs with high unemployment rates are expected to have lower entered employment rates than SDAs with low rates of unemployment. SDAs use worksheets with the regression results to

---

26. Office of Strategic Planning and Policy Development, June 1988.

DRAFT

TABLE 7. FACTORS IN REGRESSION USED TO ADJUST ADULT "ENTERED EMPLOYMENT RATE" PERFORMANCE STANDARD, PY88
(Proportion of Terminees who Enter Unsubsidized Employment)

Estimated Factor Sign	Factor Label	Factor Content
	Terminee Characteristics	
-	% Female	Percent of program terminees who are female
-	% Age 30 or more	Percent of program terminees who are 30 years of age or older
-	% Black	Percent of program terminees who are black
-	% Dropout	Percent of program terminees who are school dropouts
-	% Unemployed 15 Weeks or More	Percent of program terminees who were unemployed 15 or more weeks prior to entering JTPA
-	% Not in Labor Force	Percent of program terminees who were not in the labor force prior to entering JTPA
-	% AFDC Recipient	Percent of program terminees who were receiving Aid to Families with Dependent Children (AFDC) prior to entering JTPA
-	% GA/RCA Recipient	Percent of program terminees who were receiving General Assistance (GA) or Refugee Cash Assistance (RCA) prior to entering JTPA
	Local Conditions	
-	Unemployment Rate	Percent of SDA's labor force that is unemployed
+	Population Density	Number of people in SDA per square mile
-	Employee/Resident Worker Ratio	Ratio of the number of employees in SDA to the number of people living in SDA

Note: Program terminees are people who have been enrolled in JTPA and left the program, whether or not they completed it.

DRAFT

TABLE 8. FACTORS IN REGRESSION USED TO ADJUST ADULT "COST PER ENTERED EMPLOYMENT" PERFORMANCE STANDARD, PY88
(Ratio of Federal Program Funds to Number of Terminees who Enter Unsubsidized Employment)

Estimated Factor Sign	Factor Label	Factor Content
	Terminee Characteristics	
+	% Hispanic	Percent of program terminees who are Hispanic
+	% UC Claimant	Percent of program terminees who were receiving Unemployment Compensation (UC) prior to entering JTPA
+	% Not in Labor Force	Percent of program terminees who were not in the labor force prior to entering JTPA
+	% AFDC Recipient	Percent of program terminees who were receiving Aid to Families with Dependent Children (AFDC) prior to entering JTPA
+	% GA/RCA Recipient	Percent of program terminees who were receiving General Assistance or Refugee Cash Assistance (RCA) prior to entering JTPA
-	% Terminees	Percent of program participants who complete the program
	Local Conditions	
+	Unemployment Rate	Percent of SDA's labor force that is unemployed
+	Average Annual Earnings in Retail and Wholesale Trade	Average annual earnings of employees in SDA who are in the wholesale and retail trade industry
+	Population Density	Number of people in SDA per square mile

Note: Program terminees are people who have been enrolled in JTPA and left the program, whether or not they completed it.

DRAFT

calculate their own standards. [Appendix D has the PY88 worksheets for the standards discussed here.(27)]

The regressions produce two results of importance here. As already mentioned, they indicate the direction of the relationship between individual factors and the performance standard being analyzed. Second, regressions estimate "weights" for the individual factors. The weights indicate the extent to which differences in the factor across SDAs are important in explaining differences in SDAs' performances.

Adjusting for Terminee Characteristics

Including factors in the regressions that represent the characteristics of program terminees can produce misleading results unless great care is taken. The problem is the extent to which the characteristics of people in JTPA accurately represent the characteristics of all people eligible for JTPA -- stated more formally, the extent to which the "sample" is randomly selected from the "population." This is an important issue: if the sample is biased, then the permitted adjustments will not accurately capture the "true" adjustments needed for serving the "hard to serve."

There is evidence that the sample of Hispanics is biased: those who are in JTPA differ from the disadvantaged Hispanic population as a whole. While in general disadvantaged Hispanics lack basic skills and proficiency in English, most of those who are in JTPA have basic skills and are proficient in English. National

---

27. SDAs use the worksheets to compare their unemployment rates (for example) with the national average. The difference between the two numbers is multiplied by the "weight" shown in the worksheet, whose size and sign are estimated through the regression. If the unemployment rate is higher than the national average, an SDA subtracts the resulting weighted difference from the national standard for entered employment rate. The SDA is permitted to have a lower entered employment rate because it has a higher than average unemployment rate.

If the unemployment rate is lower than the national average, an SDA adds the resulting weighted difference to the national value. The SDA is expected to have a higher than average entered employment rate because it has a lower than average unemployment rate.

DRAFT

data indicate that

- Among the school dropouts completing JTPA, there are proportionately fewer Hispanics than would be expected on the basis of their share of the population of school dropouts eligible for the training (14 percent versus 24 percent). The reverse is found among blacks: blacks are 32 percent of the dropouts who complete the program, while they are 23 percent of those dropouts eligible for JTPA.(28)

- There are relatively few Hispanics (and others) in JTPA who lack proficiency in the English language. About 5 percent of the enrollees are reported to have limited proficiency in English and not all of them are necessarily Hispanic. Between 15 and 45 percent of all Hispanics may not be fully proficient in English, according to research.(29)

Also, according to PIC and SDA Directors as well as program operators,

- JTPA services to Hispanics are for the most part the same as those provided to whites and blacks even though proportionately more Hispanics might be expected to receive basic education and English-language training.

- Those program operators who have more people applying for their programs than they have slots can choose those Hispanic, black, and white applicants who are most likely to complete the program successfully. Further, the program operators must be selective to assure that they meet their performance-based contracts and receive their payments.

- There are very few JTPA-funded programs for people with limited English proficiency; people who need English-language or adult basic skills training are typically referred to (or placed in) programs funded through non-JTPA sources.

- JTPA-funded English-as-a-Second-Language (ESL) programs typically do not enroll people who have low levels of basic skills in their native languages -- two characteristics of the economically disadvantaged Hispanic population.

---

28. U.S. Department of Labor, Office of Strategic Planning and Policy Development, "JTPA Title IIA Participants Who Were School Dropouts at Program Application: Program Year 1986," JTQS Special Paper No. 6, Washington, D.C. June 1988.

29. Office of Strategic Planning and Policy Development, December 1988; National Commission for Employment Policy, September 1982.

DRAFT

To the extent Hispanics in JTPA are not the "hard to serve" Hispanics, regressions using JTPA data will show the entire group as "not hard to serve." Specifically, the factor representing Hispanics might be statistically insignificant, and following DOL's procedures, not be included among the adjustments SDAs are permitted to make. Alternatively, the factor might be significant and hence included in the model, but the size of the permitted adjustment would be small. These statements correspond to what has happened with attempts to adjust for services to Hispanics.

The Hispanic Factor in the Adjustment Model

The "Hispanic factor" in the regressions is the proportion of the programs' terminees who are Hispanic. Similarly, the "black factor" is the proportion of terminees who are black. The group "left over" for purposes of summing to 100 percent is, in most SDAs, the proportion of terminees who are white. In PY88 there are eight performance standards for adults and so there are eight regressions.(30)

An adjustment for Hispanic terminees is permitted for only one of the eight: it is included only in the regression used to adjust the "cost per entered employment" standard (shown in Table 8). In this regression, there is no black factor. Blacks are combined with whites in the contrasting "reference group" -- this means that the regression shows whites and blacks to be similarly costly to serve and both are less costly to serve than Hispanics.

The situation is exactly the reverse in the remaining seven regressions. Adjustments are permitted for the proportion of terminees who are black while Hispanics are combined with whites in the contrasting reference group. This means that, for example, the regression for "entered employment rate" shows Hispanics and whites to be similarly easy to place and both easier to place than blacks.

The Hispanic factor was not included in the seven final regressions in part because initial results showed that having higher (or lower) than average proportions of Hispanics in the program did not strongly affect SDAs' ability to meet national standards. (The factor was statistically insignificant). Also, initial results showed a positive relationship between having Hispanics in the program and an SDA's ability to meet its standard.

For example, initial results for the "entered employment rate" regression showed that SDAs with higher than average proportions of Hispanics among their programs' terminees ought to have entered

---

30. The eight performance standards are: entered employment rate, follow-up employment rate, average wage at placement, follow-up weekly earnings, follow-up weeks worked, cost per entered employment, welfare entered employment rate, and follow-up welfare entered employment rate.

DRAFT

employment rates higher than the national standard. An Hispanic factor was excluded from the final adjustments because it did not make sense to those developing the regressions that economically disadvantaged Hispanics -- who, on average, have relatively low educational levels and lack proficiency in English -- should also be easier, rather than more difficult, to place than whites.(31)

The policy intent was not to penalize SDAs for serving higher than average proportions of Hispanics. They would be "held harmless." The analysts overlooked the fact that the regressions were showing Hispanics and whites to have similar effects on SDAs' abilities to meet their performance standards because the Hispanics in JTPA are more similar to whites in JTPA than they are to the economically disadvantaged population of Hispanics.

If economically disadvantaged Hispanics are "in reality" harder to place than whites, for example, then SDAs are not permitted to adjust for having higher than average proportions of them among their program terminees.(32) To the extent SDAs have a goal of serving Hispanics, they can only meet this goal by serving those Hispanics who are very similar to whites in their "employability characteristics."

Because adjustments are not permitted for Hispanics, SDAs that have Hispanics (and other racial/ethnic groups) to serve are in a different situation from SDAs that do not serve Hispanics. The former group will need to develop a strategy that takes into account both their need to meet performance standards and their need (for political or other reasons) to serve Hispanics equitably even though they cannot adjust their standards for Hispanics. The latter SDAs do not have to develop such a strategy.

To the extent that Hispanics in JTPA are as easy to place as whites (and also have no adverse effect on SDAs' abilities to meet six of the other seven performance standards), then it becomes necessary to explain how the "cost per entered employment"

---

31. "Hispanic was excluded from all models except the cost-per-entered employment model because its estimated weight was either small or counterintuitive." Katherine P. Dickinson and Richard W. West, "Development of Adjustment Models for PY88: JTPA Title II-A Performance Standards," Prepared for the U.S. Department of Labor, Menlo Park, California: SRI International, November 1988, p. IV-28. See also Katherine P. Dickinson and Richard W. West, "Development of Adjustment Models for PY86 JTPA Performance Standards," Prepared for the U.S. Department of Labor, Menlo Park, California: SRI International, June 1986.

32. See Burt Barnow and Jill Constantine, "Using Performance Management to Encourage Services to Hard-to-Serve Individuals in JTPA," RR 88-04, National Commission for Employment Policy, April 1988.

DRAFT

regression could show Hispanics to be more costly to serve than both whites and blacks.

Adjusting the National "Cost" Standard for the Hispanic Factor

SDAs are permitted to adjust their cost per entered employment standard upward when they have higher than average proportions of Hispanics among their program terminees. The employment and training community has interpreted this to mean that training Hispanics is a more costly undertaking than training their white or black counterparts. The rationale for this interpretation is evidence that, on average, Hispanics have greater employment and training needs than whites or blacks. Their dropout rate is substantially higher than that of either whites or blacks and Hispanics are also more likely than whites and blacks to need English language training.(33)

Determining whether or not Hispanics in JTPA are in fact more costly to serve is important. Under the current system, SDAs with greater than average proportions of Hispanics among their program terminees are permitted to adjust their cost standard upward even if they incur no additional costs due to Hispanics. Moreover, SDAs do not have to incur additional costs to the extent they select Hispanics who have basic skills and are proficient in English.

There is evidence to suggest that the reason why the regression produces a positive relationship between costs and the presence of Hispanics has little or nothing to do with the personal characteristics of Hispanics in JTPA. In particular, it is possible that there are technical problems in the regression. The relationship may be positive because both the Hispanic factor and the standard are positively related to other factors not included in the regression: the regression may have produced results which "look like" having Hispanics in JTPA programs raises per-person program costs when the result may be attributable to Hispanics' concentration in SDAs with particular characteristics.

The cost-per-entered-employment standard is a ratio. Its numerator is the federal contribution to an SDA's operations; in essence, the numerator is an SDA's allocation. Data for the cost standard are from all SDAs while Hispanics are concentrated in a relatively small number and their patterns of concentration are associated with particular SDA characteristics.

A positive relationship between Hispanics and the cost standard may be due to similarities between the distribution of Hispanics across SDAs of different sizes and the distribution of JTPA funds

---

33. For example, see National Commission for Employment Policy, September 1982.

across SDAs of different sizes.(34) For example, as discussed earlier, large urban SDAs receive a smaller JTPA allocation than medium-sized SDAs; similarly, large urban SDAs have smaller proportions of Hispanics among their program terminees than some of the medium-sized ones.

It also may be that Hispanics are concentrated in areas where program costs are high for all groups, Hispanics, whites, and blacks. The factor included in the regression as a proxy for differences in the cost of living across SDAs (annual earnings of people in wholesale and retail trade) may not be capturing fully differences in program costs.

The possibility that Hispanics' geographic distribution is responsible for the positive relationship between costs and the Hispanic factor is bolstered by the previous discussion of the characteristics of Hispanics in JTPA. It is also bolstered by the results of the other seven regressions which show Hispanics and whites to have similar effects on SDAs' abilities to meet their performance standards.

In general, more attention needs to be given to the performance standards adjustments SDAs are permitted to make when they serve Hispanics. At present, the adjustment models, as a whole, do not adequately encourage SDAs to serve Hispanics as a group, and especially those Hispanics who lack basic skills and proficiency in English. It is timely to re-analyze the adjustment models now that data on both participants' reading levels and their English-language proficiency are being collected.

VI. CONCLUSIONS

"Why are Hispanics under-represented in JTPA?" is the question that precipitated this study. Findings indicate that there are several reasons -- some are related to provisions of the law and others to ways in which the law is being implemented at the national, state, and local levels. Based on this study it is not possible to say which reasons are more -- or less -- important. Rather, the findings suggest that the "model" people had in mind when JTPA Title II was developed, and have in mind in its implementation, overlooks characteristics of the low-income Hispanic population.

First, the eligibility criteria make it difficult for many Hispanics to enroll. Some cannot enroll because they prefer not to

---

34. The PY88 regression includes a factor, population density per square mile, which the analysts may intend to proxy for the size of SDAs. However, for the most part, it is not a reasonable proxy since SDAs of similar sizes may have very different densities. For example, Los Angeles and New York have similar population sizes, but the population density of Los Angeles is considerably less than that of the boroughs of New York.

DRAFT

receive Food Stamps or public assistance even though use of these programs would qualify them for JTPA. A corollary is that people have an incentive to start to use Food Stamps or public assistance when they might otherwise not have done so because they want to enroll in JTPA. Those who do not wish to receive Food Stamps are ineligible if their earnings are between the (lower) JTPA income critierion and the (higher) Food Stamp criterion.

Second, due to the formula for allocating JTPA funds to states and SDAs within states, SDAs in large urban areas receive fewer funds than would be expected on the basis of their share of the nation's eligible population. Since Hispanics are highly concentrated in large urban areas, they are adversely affected by the allocation formula.

Third, within SDAs that have Hispanic populations eligible for JTPA, Hispanics (or people knowledgeable about Hispanics' concerns) are not systematically represented in policy-making forums, such as on PICs or within PIC or SDA staffs. As a result, the needs of disadvantaged Hispanics are not always recognized and addressed. To the extent their needs are not addressed, there is little reason for low-income Hispanics to be interested in participating.

Finally, the adjustments SDAs are permitted to make to national performance standards send contradictory signals to SDAs regarding services to Hispanics. Because of data problems, the adjustments signal that Hispanics have no effect on SDAs' abilities to meet seven of the eight standards, while blacks have an adverse effect. However, on the eighth standard -- cost -- the adjustments signal that blacks have no effect while Hispanics have an adverse effect.

These findings have importance beyond explanations of Hispanics' underrepresentation. For example, there are other groups, and people within groups, who prefer not to use food stamps even though they are eligible for them. There are other groups concentrated in large urban SDAs. There are also other groups whose needs may go unrecognized because they are not well represented in JTPA policy-making forums. And, problems with the performance standards adjustments, found here for Hispanics, can exist for others as well. These findings on Hispanics will hopefully prompt a thorough examination of JTPA to assure that the system reflects more fully the diversity of Americans "facing serious barriers to employment, who are in special need of ... training."

DRAFT

APPENDIX A

PERCENT OF POPULATION ELIGIBLE FOR JTPA AND PERCENT OF PARTICIPANTS BY SELECTED CHARACTERISTICS AND RACE/ETHNICITY, PY84-85

PERCENT OF POPULATION ELIGIBLE FOR JTPA AND
PERCENT OF PARTICIPANTS BY SELECTED CHARACTERISTICS AND
RACE/ETHNICITY, PY84-85

Characteristic and Race/Ethnicity	Percent of Group Who are: Eligible	Participants	Participation Rate(a)
	Age		
Hispanic	100.0	100.0	
16-18 years	11.4	19.0	2.7%
19-21 years	10.6	23.0	3.6
22 or more years	77.6	58.2	1.3
White	100.0	100.0	
16-18 years	6.7	18.6	5.7
19-21 years	8.3	18.8	4.6
22 or more years	84.9	62.7	1.5
Black	100.0	100.0	
16-18 years	11.3	21.8	6.0
19-21 years	10.5	23.3	6.9
22 or more years	78.1	55.0	2.2
	School Dropout Status and Age(b)		
Hispanic	100.0	100.0	
Dropout, 16-21 years	6.0	15.3	4.3
Non Dropout, 16-21 years	16.4	26.4	2.7
Dropout, 22 or older	49.9	24.0	0.8
Non Dropout, 22 or older	27.7	34.3	2.1
White	100.0	100.0	
Dropout, 16-21 years	2.9	10.7	7.7
Non Dropout, 16-21 years	12.2	26.8	4.5
Dropout, 22 or older	28.3	14.6	1.1
Non Dropout, 22 or older	56.6	48.1	1.8
Black	100.0	100.0	
Dropout, 16-21	3.3	11.9	11.4
Non Dropout, 16-21	18.6	33.2	5.6
Dropout, 22 or older	33.8	14.3	1.3
Non Dropout, 22 or older	44.4	40.6	2.9

PERCENT OF POPULATION ELIGIBLE FOR JTPA AND
PERCENT OF PARTICIPANTS BY SELECTED CHARACTERISTICS AND
RACE/ETHNICITY, PY84-85 (continued)

Characteristic and Race/Ethnicity	Percent of Group Who are: Eligible	Participants	Participation Rate(a)
Labor Force Status and Sex			
Hispanic Males	100.0	100.0	
Employed	53.4	6.0	0.2%
Unemployed	16.2	78.3	7.9
Not in the Labor Force	30.5	15.7	0.8
White Males	100.0	100.0	
Employed	50.0	11.0	0.5
Unemployed	14.2	73.1	10.8
Not in the Labor Force	35.8	16.0	0.9
Black Males	100.0	100.0	
Employed	39.0	6.7	0.6
Unemployed	17.7	68.6	12.6
Not in the Labor Force	43.3	24.6	1.9
Hispanic Females	100.0	100.0	
Employed	28.4	7.9	0.5
Unemployed	7.6	70.7	15.2
Not in the Labor Force	64.0	21.4	0.5
White Females	100.0	100.0	
Employed	38.6	14.4	0.7
Unemployed	8.5	67.4	15.2
Not in the Labor Force	52.9	18.2	0.7
Black Females	100.0	100.0	
Employed	30.9	7.6	0.7
Unemployed	13.7	65.7	13.9
Not in the Labor Force	55.4	26.7	1.4

PERCENT OF POPULATION ELIGIBLE FOR JTPA AND PERCENT OF PARTICIPANTS BY SELECTED CHARACTERISTICS AND RACE/ETHNICITY, PY84-85 (continued)

Characteristic and Race/Ethnicity	Percent of Group Who are: Eligible	Participants	Participation Rate(a)
Family Income as a Percent of Poverty Line			
Hispanic	100.0	100.0	
70% or less	53.6	56.3	0.9
71 - 100%	19.9	28.3	1.3
100% or more	26.4	15.3	0.5
White	100.0	100.0	
70% or less	52.3	61.8	1.4
71 - 100%	18.2	24.7	1.7
100% or more	29.4	13.5	0.6
Black	100.0	100.0	
70% or less	56.6	63.4	1.6
71 - 100%	15.9	25.1	2.3
100% or more	27.4	11.4	0.6
Family Receiving AFDC and Sex(c)			
Hispanic Males	100.0	100.0	
Receiving AFDC	14.5	9.8	1.1
Not Receiving AFDC	85.4	90.2	1.7
White Males	100.0	100.0	
Receiving AFDC	9.0	9.1	2.1
Not Receiving AFDC	91.0	90.9	2.1
Black Males	100.0	100.0	
Receiving AFDC	16.7	11.4	2.2
Not Receiving AFDC	83.3	88.6	3.4
Hispanic Females	100.0	100.0	
Receiving AFDC	27.9	33.0	1.9
Not Receiving AFDC	72.1	67.0	1.5
White Females	100.0	100.0	
Receiving AFDC	16.6	24.2	2.8
Not Receiving AFDC	83.4	75.8	1.8
Black Females	100.0	100.0	
Receiving AFDC	37.8	42.7	3.3
Not Receiving AFDC	62.2	57.3	2.7

Notes to table on following page.

(a) The ratio of the number of participants to the number of eligibles.

(b) Non dropouts include high school graduates and persons in school.

(c) AFDC is the government program, Aid to Families with Dependent Children.

Sources: Unpublished data from the Current Population Survey and the Job Training Quarterly Survey.

DRAFT

APPENDIX B

THE DATA ON JTPA PARTICIPATION AND ELIGIBILITY

DRAFT

APPENDIX B

THE DATA ON JTPA PARTICIPATION AND ELIGIBILITY

Data on Program Participants(1)

The number of program participants comes from the Job Training Quarterly Survey (JTQS). In Program Years 1984 and 1985 (the years analyzed in the Sandell/Rupp study) the JTQS contained a sample of 194 of the 600 SDAs nation-wide. The sample was designed to produce a nationally representative sample of participants. There were 6,000 enrollees in the sample.

A several-step process was used to select SDAs for inclusion in the sample. First, SDAs were ranked according to the amount of JTPA funding they received in PY 1984, since it was expected that SDAs with greater funding levels would also have a greater number of participants. Then the SDAs were split into two groups.

One group included the 91 metropolitan-area SDAs which received the greatest allocation of JTPA funds. These SDAs were automatically included in the sample. The metropolitan areas in which these SDAs were located included ones with large concentrations of Hispanics, such as New York, Los Angeles, Chicago, Miami, and Houston.

The second group of approximately 510 SDAs was further grouped according to their Census region. Within each region, SDAs which were as similar as possible were placed in subgroups (or strata) of roughly equal size. The subgroups were obtained using the following criteria (with data for each criterion obtained from the 1980 Census):

- Unemployed persons
- Black unemployed persons
- Spanish unemployed persons (only in the South and West regions)
- Persons in urban areas
- Persons below the poverty level
- Families with a female head of household

One SDA from each of the strata was included in the sample.

---

1. This section is based on "Original Job Training Longitudinal Survey (JTLS) Title IIA Sample Design" in "Job Training Quarterly Survey (JTQS): Title IIA Administrative Data Collection Sample Design," U.S. Department of Labor, August 1988.

DRAFT

Data on Persons Eligible for JTPA

The Current Population Survey (CPS) is the source used to estimate the number of people eligible for JTPA. The CPS has information which can be used to determine whether or not a person is economically eligible for the program. It does not have information which could be used to determine if a person is a citizen, a legal resident, a refugee, or an undocumented worker; however, a person's status as citizen/legal resident/refugee is an eligibility criterion for JTPA.

The remainder of this appendix explains the process used to suggest that Hispanics are about 13 percent of the population which the CPS would indicate are eligible for JTPA.

Step 1. Based on the CPS, the author determined the number of undocumented workers who would need to be in the pool of eligible Hispanics in order for undocumented workers to be totally responsible for Hispanics' over-representation in the eligible population.

Using CPS data, Sandell/Rupp estimated that there were 4,293,000 Hispanics eligible for JTPA in PY84. For Hispanic undocumented workers to be totally responsible for Hispanics' over-representation, there would need to be 1,214,900 undocumented Hispanic workers among those that the CPS would show to be eligible for JTPA. This number is determined by solving the following equation:

$$(4{,}293 - x)/(31{,}697 - x) = .101, \text{ where}$$

x = number of Hispanics in eligible population who would need to be found ineligible in order for Hispanics to achieve proportionate representation in JTPA

4,293 = number of eligible Hispanics estimated in Sandell/Rupp study (in thousands)

31,697 = total number of eligibles estimated in Sandell/Rupp study (in thousands)

.101 = ratio of Hispanic JTPA participants to the total number of participants

Step 2. The author estimated the number of Hispanic undocumented workers whom the CPS might indicate are eligible for JTPA on the basis of their income.

Step 2a. Determining income eligibility for JTPA.

Using the CPS, people are classified as eligible for JTPA programs if they report (a) receiving food stamps, (b) being on

DRAFT

public assistance, or (c) having a level of income in the prior six months that was no more than 70 percent of the lower living standard or than the poverty line, whichever was higher. The author's investigation is restricted to the income-eligibility criterion since research indicates that fewer than 4 percent of undocumented workers use either food stamps or public assistance.(2)

Income eligibility is determined on the basis of both family size and location. Table B.1 shows the maximum amounts of income that individuals in families of different sizes living in either Los Angeles or Dallas/Ft. Worth could receive in the 6 months prior to enrolling in JTPA and qualify for the program.(3) For example, in 1986 a single person in the Dallas/Ft. Worth could earn no more than $2,885 in the 6 months prior to enrolling in JTPA in order to qualify for the program.

TABLE B.1. 1986 INCOME ELIGIBILITY FOR JTPA IN DALLAS/FT. WORTH AND LOS ANGELES BY NUMBER OF PEOPLE IN FAMILY (Six Month Income Limits)

	Family Size			
Location	One	Two	Three	Four
Dallas/Ft. Worth	$2,885	3,865	4,890	6,040
Los Angeles	2,680	3,795	5,210	6,435

Source: "Job Training Partnership Act: Lower Living Standard Income Level," Federal Register Notice, Vol. 51, No. 72, April 15, 1986, pp. 12752-3 and assistance from local-area program operators.

Step 3b. Estimating the income of undocumented workers for a 6-month period for purposes of comparison with JTPA's income limits (Step 4).

Estimating undocumented workers' family income requires information on their family size, the number of wage earners per

---

2. Douglas Massey, "The Settlement Process Among Mexican Migrants to the United States," American Sociological Review, Vol. 51 (October 1986), pp. 670-684.

3. Dallas/Ft. Worth and Los Angeles were selected for this exercise because they have relatively large concentrations of undocumented workers.

family, the amount of pay each receives, and the number of hours and weeks each works over a six month period. Research suggests that undocumented workers differ along these characteristics depending upon their countries of origin (Mexico, countries in Central America, and countries in South America) and especially for those from Mexico, the number of years they have been migrating between the U.S. and Mexico.(4)

Because precise data on the characteristics of the undocumented worker population are not available, Table B.2 shows a range of possible family incomes. The range is based on the best available evidence on undocumented workers' family sizes and earnings. The table shows that, for example, a single person working full-time for six months at $3.35 per hour would earn $3,484. ($3.35 is the minimum wage, which is less than the average hourly wage reported by most undocumented workers. See Massey.) A family with two workers employed at $3.35 per hour and working 10 percent less than full-time would earn $6,270 over a six-month period.

A comparison of the figures in Tables B.1 and B.2 indicates that there are few situations in which the earnings of undocumented workers are likely to be below the income cut-off for JTPA.

- Undocumented workers without family members in the U.S. (such as spouses) are unlikely to be income-eligible for JTPA. For instance, in Dallas/Fort Worth they could earn no more than $2,885; only undocumented workers employed in agriculture are likely to be below this cut-off.(5)

- When two undocumented workers in the same family are employed, they tend to earn too much money to qualify. For example, the lowest earnings shown in Table B.2 is $4,888 for two-earner families employed in agriculture. Few undocumented worker families are likely to be in this category. Undocumented male workers from Mexico are the most likely to be in agriculture; they work in this sector in the early years of their migration between the U.S. and Mexico and it is during this early period of migration that they are least likely to have their wives or other family members with them in the U.S.(6)

- Undocumented workers in families of 2-3 persons in the U.S. (such as with a spouse and a child) only meet JTPA's income eligibility criterion when the families have only one

---

4. Douglas Massey and Kathleen Schnabel, "Background and Characteristics of Undocumented Hispanic Migrants to the United States: A Review of Recent Research," Migration Today, Vol XI, No. 1 (1983), pp. 8-13; and Massey.

5. Massey.

6. Massey.

DRAFT

TABLE B.2 ESTIMATED 6-MONTH EARNINGS OF UNDOCUMENTED WORKER FAMILIES BY WAGE LEVEL, HOURS WORKED, AND NUMBER OF EMPLOYED FAMILY MEMBERS

Hours Worked and Hourly Wages	One Earner in Family	Two Earners in Family
Full-time @ $3.35 per hour(a)	$ 3,484.00	$ 6,968.00
10% less than full-time @ $3.35 per hour(b)	3,135.60	6,270.00
Full-time @ $2.35 per hour(c)	2,444.00	4,888.00
Full-time @ $4 per hour(d)	4,160.00	8,320.00
10% less than full-time @ $4 per hour	3,744.00	7,488.00
10% less than full-time @ $4 per hour and 10% less than full-time @ $3.35 per hour(e)	NA	6,879.60
10% less than full-time @ $4 per hour & 50% less than full-time @ $3.35 per hour(e)	NA	5,215.00

(Notes on next page)

DRAFT

(a) Full-time = 26 weeks at 40 hours per week = 1040 hours. $3.35 is the minimum wage, which is less than the lowest average hourly wage reported by undocumented workers from Mexico employed in nonagricultural industries in the U.S., adjusted for inflation. The undocumented workers reported typically working more than 40 hours per week and, especially during the early migration period being employed every week they were in the U.S. (See Massey.)

(b) 10% less than full-time = 936 hours.

(c) Full-time = 26 weeks at 40 hours per week = 1040 hours. $2.35 is the lowest average hourly wage reported by undocumented workers from Mexico employed in agriculture in the U.S., adjusted for inflation. This is the lowest bound since they reported typically working more than 40 hours per week. (See Massey.)

(d) 25% of undocumented workers, who both received amnesty under the Immigration and Control Act of 1986 and reported a wage, earned $4 or less per hour. Unpublished data from the U.S. Immigration and Naturalization Service.

(e) This category includes only families in which two people were employed but differed in their wages and hours worked.

NA - Not applicable

wage-earner. For example, undocumented workers (husbands, for instance) employed 10 percent less than full-time at $3.35 per hour would earn $3,135.60; this level of earnings would qualify them for JTPA in Dallas if there were one additional person in the family who was working only a few hours over a 6-month period. (The income cut-off was $3,865 in a two-person family). Workers earning $4.00 per hour and working full-time (earning $4,160) would be income-eligible in Dallas/Forth Worth only if there were two or more additional people in the family, none of whom was working more than a few hours over a 6-month period.

Step 4. The author estimated the number of Hispanic undocumented workers likely to be included in the CPS estimates of people who meet JTPA's income eligibility tests.

Step 4a. Estimating the number of Hispanic undocumented workers.

It is estimated that there were 3,158,000 undocumented workers in the U.S. in 1986. About 2,288,000 were from Latin American countries: 75 percent (1,716,000 people) were from Mexico; 15 percent (343,000 people) were from Central America and 10 percent from South America.(7)

Step 4b. Estimating the proportion of Hispanic undocumented workers who the CPS might indicate are eligible for JTPA on the basis of their income.

The workers were first divided into three groups, according to their country of origin (Mexico, Central American countries, and South American countries). For people from South America, a range of 5-10 percent (11,000 to 23,000 people) was estimated to be shown in the CPS as eligible for JTPA on the basis of their income. The 10 percent figure was based on the assumption that due to the distances involved, few return to their countries of origin when they are without work. This would increase the likelihood that they have periods of unemployment in the U.S. similar to those found among Mexican-origin undocumented workers who have had more than ten years of migration experience, as reported in Massey. The 5 percent figure is based on the assumption that few can afford to be without work for extended periods of time because they cannot receive unemployment insurance benefits or public assistance. (They also do not access these programs, according to Massey.)

---

7. Woodrow and Passel, August 1987; and Jeffrey Passel and Karen Woodrow, "Geographic Distribution of Undocumented Immigrants: Estimates of Undocumented Aliens Counted in the 1980 Census by State," International Migration Review, Vol. xviii, No. 3, pp.642-672. The 15 percent figure for Central Americans is somewhat higher than that indicated from 1980 Census data, 12 percent.

DRAFT

For people from Central America, a range of 10 to 25 percent (34,000 to 86,000 people) was estimated to be shown in the CPS as eligible for JTPA on the basis of their income. This range is based on "best guesses" about the behavior of undocumented workers from Central America, who are primarily from Nicaragua and El Salvador. A relatively high percentage is suggested by the view that even when the people are without work in the U.S., they do not want to return to their countries for reasons of safety and distance. A relatively low percentage is suggested by the view that most arrive in the U.S. already aware of a network of friends and relatives who can help them "settle in" and find work.(8) After a period of adjustment, the undocumented workers obtain employment using the connections of those with U.S. experience.

For people from Mexico, a range of 9-10.5 percent (154,000 to 181,000 people) was estimated. This range is based first upon estimates of the number of undocumented workers who were employed in agriculture in 1986. Experts on the topic suggest that between 25 and 40 percent of agricultural workers in the U.S. are undocumented. This translates to 3-5 percent (49,000 and 79,000 people) of undocumented workers from Mexico.(9) The CPS may also show another 6 percent of undocumented workers from Mexico (102,000 to 105,000 people), who are employed in nonagricultural industries in the U.S., to be income-eligible.(10)

---

8. The existence of a network of people in the U.S. would partly explain Hispanic undocumented workers' preference for settling in areas which already have large Hispanic communities. See Passel and Woodward.

9. Discussion with Dr. Phillip Martin and U.S. Bureau of Labor Statistics, Employment and Earnings, Vol. 34, No. 1 (January 1987), p. 183.

10. Based on Massey's research, it is estimated that 75 percent have fewer than ten years of experience migrating between the U.S. and Mexico, and of them, 5 percent experience some period of joblessness before returning to Mexico. (This amounts to 61,000 to 63,000 people in nonagricultural work.) The relatively low figure of 5 percent is based on the finding that rather than remain unemployed in the U.S., people with fewer than ten years of migration experience tend to return to Mexico. In addition, 25 percent of people in nonagricultural industries are estimated to have ten or more years of experience migrating and 10 percent of them experience some periods of joblessness in the U.S. (This amounts to 41,000 to 42,000 people.) The relatively high figure of 10 percent is based on the finding that these migrants have tended to develop social ties within the U.S. and do not as quickly return to Mexico as those workers with less migration experience.

DRAFT

For all the reasons given above, this paper roughly estimates that the CPS may show between 9 and 13 percent of Hispanic undocumented workers as qualifying for JTPA on the basis of their income. Excluding them from the population of eligibles indicates that Hispanics are 13 percent of the eligible population. While this figure is somewhat below the proportion eligible as shown in Sandell and Rupp (13.6 percent), it is the same percentage of Hispanics that the Department of Labor indicates are eligible for JTPA Title IIA programs.(11)

---

11. Office of Strategic Planning and Policy Development, U.S. Department of Labor, "Summary of JTQS Data for JTPA Title IIA and III Enrollments and Terminations During July 1987-March 1988," Washington, D.C., September 1988.

DRAFT

APPENDIX C

JTPA ANNUAL STATUS REPORT FORM

OMB No. 1205-0211

U.S. DEPARTMENT OF LABOR Employment and Training Administration JTPA ANNUAL STATUS REPORT	a. STATE/SDA NAME AND ADDRESS	b. REPORT PERIOD FROM	TO

I. PARTICIPATION AND TERMINATION SUMMARY	Total Adults	Adults (Welfare)	Youth	Dislocated Workers
	(A)	(B)	(C)	(D)
A. TOTAL PARTICIPANTS				
B. TOTAL TERMINATIONS				
1. Entered Unsubsidized Employment				
a. Also Attained Any Youth Employability Enhancement				
2. Youth Employability Enhancement Terminations				
a. Attained PIC-Recognized Youth Employment Competencies				
b. Completed Program Objectives (14-15 year olds)				
3. All Other Terminations				

Use #:	II. TERMINEES PERFORMANCE MEASURES INFORMATION				
1	Sex	Male				
2		Female				
3	Age	14 - 15				
4		16 - 17				
5		18 - 21				
6		22 - 29				
7		30 - 54				
8		55 and over				
9	Education Status	School Dropout				
10		Student				
11		High School Graduate or Equivalent (No Post-High School)				
12		Post-High School Attendee				
13	Family Status	Single Head of Household With Dependent(s) Under Age 18				
14	Race/Ethnic Group	White (Not Hispanic)				
15		Black (Not Hispanic)				
16		Hispanic				
17		American Indian or Alaskan Native				
18		Asian or Pacific Islander				

c. SIGNATURE AND TITLE	d. DATE SIGNED	e. TELE. NO.

ETA 8580 (June 1988)

a. STATE/SDA NAME AND ADDRESS	REPORT PERIOD FROM	TO

Line #		II. TERMINEES PERFORMANCE MEASURES INFORMATION - Continued	Total Adults (A)	Adults (Welfare) (B)	Youth (C)	Dislocated Worker (D)
19	Other Barriers To Employment	Limited English Language Proficiency				
20		Handicapped				
21		Offender				
22		Reading Skills Below 7th Grade Level				
23		Long-Term AFDC Recipient				
24	Other Barriers to Employment	Unemployment Compensation Claimant				
25		Unemployed: 15 or More Weeks of Prior 26 Weeks				
26		Not in Labor Force				
27	Welfare Grant Type	Welfare Grant Type: AFDC				
28		GA/RCA				
29	Average Weeks Participated					
30	Average Hourly Wage at Termination					
31	Total Program Costs (Federal Funds)					
32	Total Available Federal Funds					

III. FOLLOW-UP INFORMATION

33	Employment Rate (At Follow-up)				
34	Average Weekly Earnings of Employed (At Follow-up)				
35	Average Number of Weeks Worked in Follow-up Period				
36	Sample Size				
37	Response Rate				

IV. YOUTH EMPLOYMENT COMPETENCY ATTAINMENT INFORMATION

38	Attained Any Competency Area			
39	Pre-Employment/Work Maturity Skills			
40	Basic Education Skills			
41	Job Specific Skills			

REMARKS:

DRAFT

APPENDIX D

PY88 JTPA PERFORMANCE STANDARDS WORKSHEETS FOR ENTERED EMPLOYMENT RATE (ADULT) AND COST PER ENTERED EMPLOYMENT (ADULT)

PY 88 JTPA Performance Standards Worksheet			A. Service Delivery Area's Name	B. SDA Number
C. Performance Period PY 88	D. Type of Standard [ ] Plan [ ] Recalculated	Date Calculated _____	E. Performance Measure Entered Employment Rate (Adult)	

F. LOCAL FACTORS	G. SDA FACTOR VALUES	H. NATIONAL AVERAGES	I. DIFFERENCE (G MINUS H)	J. WEIGHTS	K. EFFECT OF LOCAL FACTORS ON PERFORMANCE EXPECTATIONS, (I TIMES J)
1. % Female		55.1		- .073	
2. % Age 30 and Above		52.8		- .166	
3. % Black		23.2		- .055	
4. % Dropout		24.8		- .177	
5. % Unemployed 15 Weeks or More		48.7		- .015	
6. % Not In Labor Force		11.9		- .082	
7. % AFDC Recipient		23.8		- .159	
8. % GA/RCA Recipient		5.2		- .312	
9. Unemployment Rate		7.4		- .608	
10. Population Density (1000s/sq.m.)		0.7		.633	
11. Employee/Resident Worker Ratio		99.9		- .064	

L. Total	
M. NATIONAL DEPARTURE POINT	68.0
N. Model-Adjusted Performance Level (L + M)	
O. Governor's Adjustment	
P. SDA Performance Standard	

(12-15-87)

PY 88 JTPA Performance Standards Worksheet			A. Service Delivery Area's Name	B. SDA Number
C. Performance Period PY 88	D. Type of Standard [ ] Plan [ ] Recalculated	Date Calculated _____	E. Performance Measure Cost Per Entered Employment (Adult)	

F. LOCAL FACTORS	G. SDA FACTOR VALUES	H. NATIONAL AVERAGES	I. DIFFERENCE (G MINUS H)	J. WEIGHTS	K. EFFECT OF LOCAL FACTORS ON PERFORMANCE EXPECTATIONS, (I TIMES J)
1. % Hispanic		8.3		6.2	
2. % UC Claimant		10.3		34.5	
3. % Not in Labor Force		11.9		8.0	
4. % AFDC Recipient		23.8		24.9	
5. % GA/RCA Recipient		5.2		15.2	
6. % Terminees		73.2		- 22.0	
7. Unemployment Rate		7.4		63.8	
8. Average Annual Earnings in Retail and Wholesale Trade (000)		12.5		79.0	
9. Population Density (1000s/sq.m.)		0.7		79.5	

L. Total	
M. NATIONAL DEPARTURE POINT	$4,500
N. Model-Adjusted Performance Level (L + M)	
O. Governor's Adjustment	
P. SDA Performance Standard	

(12-15-87)